

Duke Energy CORP
Form 10-Q
May 09, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark
One)

x

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2014

OR

..

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to

**Commission
file number**

**Registrant, State of Incorporation or Organization,
Address of Principal Executive Offices, and Telephone Number**

**IRS Employer
Identification
No.**

DUKE ENERGY CORPORATION

(a Delaware corporation)

550 South Tryon Street

1-32853

Charlotte, North Carolina 28202-1803

20-2777218

704-382-3853

	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices,			Registrant, State of Incorporation or Organization, Address of Principal Executive Offices,
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Commission file number	Telephone Number and IRS Employer Identification Number		Commission file number	Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520		1-3274	DUKE ENERGY FLORIDA, INC. (a Florida corporation) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770
1-15929	PROGRESS ENERGY, INC. (a North Carolina corporation) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-2155481		1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, INC. (a North Carolina corporation) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465		1-3543	DUKE ENERGY INDIANA, INC. (an Indiana corporation) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Duke Energy Corporation (Duke Energy)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Florida, Inc. (Duke Energy Florida)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Duke Energy Carolinas, LLC (Duke Energy Carolinas)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Ohio, Inc. (Duke Energy Ohio)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Progress Energy, Inc. (Progress Energy)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Indiana, Inc. (Duke Energy Indiana)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Duke Energy Progress, Inc. (Duke Energy Progress)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>			

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Duke Energy	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Florida	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Duke Energy Carolinas	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Ohio	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Progress Energy	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Indiana	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Duke Energy Progress	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>			

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

(Check one):

Duke Energy	Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Duke Energy Carolinas	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Progress Energy	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Duke Energy Progress	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Duke Energy Florida	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Duke Energy Ohio	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Duke Energy Indiana	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Duke Energy	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Duke Energy Florida	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Duke Energy Carolinas	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Duke Energy Ohio	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Progress Energy	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Duke Energy Indiana	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Duke Energy Progress	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>			

Number of shares of Common Stock outstanding at May 6, 2014:

Registrant	Description	Shares
Duke Energy	Common Stock, \$0.001 par value	707,237,462
Duke Energy Carolinas	All of the registrant’s limited liability company member interests are directly owned by Duke Energy.	
Progress Energy	All of the registrant’s common stock is directly owned by Duke Energy.	
Duke Energy Progress	All of the registrant’s common stock is indirectly owned by Duke Energy.	
Duke Energy Florida	All of the registrant’s common stock is indirectly owned by Duke Energy.	
Duke Energy Ohio	All of the registrant’s common stock is indirectly owned by Duke Energy.	
Duke Energy Indiana	All of the registrant’s common stock is indirectly owned by Duke Energy.	

This combined Form 10-Q is filed separately by seven registrants: Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy

Indiana (collectively the Duke Energy Registrants). Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other registrants.

Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format specified in General Instructions H(2) of Form 10-Q.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions. These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "predict," "will," "potential," "forecast," "target," "guidance," "outlook," and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to:

- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements or climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of the costs and liabilities relating to the Dan River ash basin release and future regulatory changes related to the management of coal ash;
- The ability to recover eligible costs, including those associated with future significant weather events, and earn an adequate return on investment through the regulatory process;
- The costs of decommissioning Crystal River Unit 3 could prove to be more extensive than are currently identified and all costs may not be fully recoverable through the regulatory process;
- The risk that the credit ratings of the company or its subsidiaries may be different from what the companies expect;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from customer usage patterns, including energy efficiency efforts and use of alternative energy sources, including self-generation and distributed generation technologies;
- Additional competition in electric markets and continued industry consolidation;
- Political and regulatory uncertainty in other countries in which Duke Energy conducts business;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts and tornadoes;
- The ability to successfully operate electric generating facilities and deliver electricity to customers;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events;
- The inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks;

- The timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general economic conditions;
- Declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of potential goodwill impairments;
- The ability to reinvest retained earnings of foreign subsidiaries or repatriate such earnings on a tax-free basis; and
- The ability to successfully complete future merger, acquisition or divestiture plans.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; the Duke Energy Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise that occur after that date.

Earnings Per Share - Basic and Diluted					
(Loss) Income from continuing operations attributable to Duke Energy Corporation common shareholders					
	Basic	\$	(0.13)	\$	0.89
	Diluted	\$	(0.13)	\$	0.89
Loss from discontinued operations attributable to Duke Energy Corporation common shareholders					
	Basic	\$	(0.01)	\$	
	Diluted	\$	(0.01)	\$	
Net (Loss) Income attributable to Duke Energy Corporation common shareholders					
	Basic	\$	(0.14)	\$	0.89
	Diluted	\$	(0.14)	\$	0.89
Weighted-average shares outstanding					
	Basic		706		705
	Diluted		706		705

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION					
Condensed Consolidated Statements Of Comprehensive Income					
(Unaudited)					
		Three Months Ended March 31,			
(in millions)		2014		2013	
Net (Loss) Income	\$	(93)		\$	634
Other Comprehensive Income (Loss), Net of Tax					
Foreign currency translation adjustments		24			4
Pension and OPEB adjustments		(1)			3
Net unrealized gain on cash flow hedges ^(a)					10
Other Comprehensive Income, Net of Tax		23			17
Comprehensive (Loss) Income		(70)			651
Less: Comprehensive Income Attributable to Noncontrolling Interests		5			
Comprehensive (Loss) Income Attributable to Duke Energy Corporation	\$	(75)		\$	651
(a)	Net of \$4 million tax expense in 2013.				

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION					
Condensed Consolidated Balance Sheets					
(Unaudited)					
		March 31, 2014		December 31, 2013	
(in millions)					
ASSETS					
Current Assets					
Cash and cash equivalents		\$	1,531	\$	1,501
Short-term investments			6		44
Receivables (net of allowance for doubtful accounts of \$17 at March 31, 2014 and \$30 at December 31, 2013)			597		1,286
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$54 at March 31, 2014 and \$43 at December 31, 2013)			2,199		1,719
Inventory			2,908		3,250
Assets held for sale			515		
Regulatory assets			1,148		895
Other			1,661		1,821
	Total current assets		10,565		10,516
Investments and Other Assets					
Investments in equity method unconsolidated affiliates			386		390
Nuclear decommissioning trust funds			5,231		5,132
Goodwill			16,342		16,340
Assets held for sale			2,341		107
Other			3,251		3,432
	Total investments and other assets		27,551		25,401
Property, Plant and Equipment					
Cost			99,874		103,115
Accumulated depreciation and amortization			(33,519)		(33,625)
	Net property, plant and equipment		66,355		69,490
Regulatory Assets and Deferred Debits					
Regulatory assets			9,138		9,191
Other			183		181
	Total regulatory assets and deferred debits		9,321		9,372
Total Assets		\$	113,792	\$	114,779
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable		\$	1,892	\$	2,391
Notes payable and commercial paper			1,737		839
Taxes accrued			423		551
Interest accrued			478		440
Current maturities of long-term debt			885		2,104

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Liabilities associated with assets held for sale		222		7
Regulatory liabilities		243		316
Other		1,612		1,996
Total current liabilities		7,492		8,644
Long-term Debt		39,000		38,152
Deferred Credits and Other Liabilities				
Deferred income taxes		11,852		12,097
Investment tax credits		438		442
Accrued pension and other post-retirement benefit costs		1,270		1,322
Liabilities associated with assets held for sale		71		66
Asset retirement obligations		4,994		4,950
Regulatory liabilities		6,125		5,949
Other		1,761		1,749
Total deferred credits and other liabilities		26,511		26,575
Commitments and Contingencies				
Equity				
Common stock, \$0.001 par value, 2 billion shares authorized; 707 million and 706 million shares outstanding at March 31, 2014 and December 31, 2013, respectively		1		1
Additional paid-in capital		39,372		39,365
Retained earnings		1,713		2,363
Accumulated other comprehensive loss		(377)		(399)
Total Duke Energy Corporation stockholders' equity		40,709		41,330
Noncontrolling interests		80		78
Total equity		40,789		41,408
Total Liabilities and Equity		\$ 113,792		\$ 114,779

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION					
Condensed Consolidated Statements Of Cash Flows					
(Unaudited)					
			Three Months Ended March 31,		
(in millions)			2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (Loss) Income			\$ (93)		\$ 634
Adjustments to reconcile net (loss) income to net cash provided by operating activities:					
	Depreciation, amortization and accretion (including amortization of nuclear fuel)		884		762
	Equity component of AFUDC		(28)		(42)
	Gains on sales of other assets				(2)
	Impairment charges		1,382		
	Deferred income taxes		(178)		353
	Equity in earnings of unconsolidated affiliates		(36)		(36)
	Accrued pension and other post-retirement benefit costs		27		87
	(Increase) decrease in				
		Net realized and unrealized mark-to-market and hedging transactions	45		36
		Receivables	29		(118)
		Inventory	272		126
		Other current assets	(297)		(38)
	Increase (decrease) in				
		Accounts payable	(97)		(246)
		Taxes accrued	(175)		(31)
		Other current liabilities	(346)		(312)
	Other assets		(22)		(78)
	Other liabilities		6		(4)
	Net cash provided by operating activities		1,373		1,091
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures			(1,232)		(1,375)
Investment expenditures			(36)		(3)
Acquisitions					(32)
Purchases of available-for-sale securities			(967)		(1,255)
Proceeds from sales and maturities of available-for-sale securities			1,004		1,179
Net proceeds from the sales of other assets			4		20
Change in restricted cash			(27)		(34)
Other			(32)		35

	Net cash used in investing activities		(1,286)			(1,465)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from the:						
	Issuance of long-term debt		875			1,009
	Issuance of common stock related to employee benefit plans		19			5
Payments for the:						
	Redemption of long-term debt		(1,287)			(747)
	Redemption of preferred stock of a subsidiary					(96)
	Notes payable and commercial paper		898			627
	Distributions to noncontrolling interests		(3)			(3)
	Dividends paid		(553)			(542)
	Other		(6)			(7)
	Net cash (used in) provided by financing activities		(57)			246
	Net increase (decrease) in cash and cash equivalents		30			(128)
	Cash and cash equivalents at beginning of period		1,501			1,424
	Cash and cash equivalents at end of period		\$ 1,531			\$ 1,296
Supplemental Disclosures:						
Significant non-cash transactions:						
	Accrued capital expenditures		\$ 361			\$ 465

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION												
Condensed Consolidated Statements of Changes In Equity												
(Unaudited)												
							Accumulated Other Comprehensive Loss					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Foreign Currency Translation Adjustments	Net Gains (Losses) on Cash Flow Hedges	Pension and OPEB Adjustments	Stock Repurchases	Common Stock	Noncontrolling Interests	Total Equity	
Balance at December 31, 2012	704	\$ 1	\$ 39,279	\$ 1,889	\$ (116)	\$ (100)	\$ (90)		\$ 40,863	\$ 78	\$ 40,941	
Net income				634						634	634	
Other comprehensive income					4	10	3			17	17	
Common stock issuances, including dividend reinvestment and employee benefits	2		(16)							(16)	(16)	
Common stock dividends				(542)						(542)	(542)	
Premium on the redemption of preferred stock of				(3)						(3)	(3)	

PART I

DUKE ENERGY CAROLINAS, LLC					
Condensed Consolidated Statements Of Operations And Comprehensive Income					
(Unaudited)					
		Three Months Ended March 31,			
(in millions)		2014		2013	
Operating Revenues		\$	2,000	\$	1,729
Operating Expenses					
Fuel used in electric generation and purchased power			658		518
Operation, maintenance and other			487		457
Depreciation and amortization			242		222
Property and other taxes			104		100
Total operating expenses			1,491		1,297
Gains on Sales of Other Assets and Other, net					2
Operating Income			509		434
Other Income and Expenses, net			49		36
Interest Expense			101		82
Income Before Income Taxes			457		388
Income Tax Expense			171		144
Net Income			286		244
Other Comprehensive Income, net of tax					
Reclassification into earnings from cash flow hedges			1		
Comprehensive Income		\$	287	\$	244

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CAROLINAS, LLC					
Condensed Consolidated Balance Sheets					
(Unaudited)					
		March 31, 2014		December 31, 2013	
(in millions)					
ASSETS					
Current Assets					
Cash and cash equivalents		\$	17	\$	23
Receivables (net of allowance for doubtful accounts of \$3 at March 31, 2014 and December 31, 2013)			114		186
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$6 at March 31, 2014 and December 31, 2013)			705		673
Receivables from affiliated companies			102		75
Notes receivable from affiliated companies			337		222
Inventory			886		1,065
Regulatory assets			320		295
Other			269		309
	Total current assets		2,750		2,848
Investments and Other Assets					
Nuclear decommissioning trust funds			2,900		2,840
Other			994		1,000
	Total investments and other assets		3,894		3,840
Property, Plant and Equipment					
Cost			35,296		34,906
Accumulated depreciation and amortization			(12,125)		(11,894)
	Net property, plant and equipment		23,171		23,012
Regulatory Assets and Deferred Debits					
Regulatory assets			1,459		1,527
Other			45		46
	Total regulatory assets and deferred debits		1,504		1,573
Total Assets		\$	31,319	\$	31,273
LIABILITIES AND MEMBER'S EQUITY					
Current Liabilities					
Accounts payable		\$	540	\$	701
Accounts payable to affiliated companies			182		161
Taxes accrued			144		147
Interest accrued			136		97
Current maturities of long-term debt			47		47
Regulatory liabilities			44		65
Other			348		393
	Total current liabilities		1,441		1,611

Long-term Debt			8,089			8,089
Long-term Debt Payable to Affiliated Companies			300			300
Deferred Credits and Other Liabilities						
Deferred income taxes			5,727			5,706
Investment tax credits			208			210
Accrued pension and other post-retirement benefit costs			158			161
Asset retirement obligations			1,617			1,594
Regulatory liabilities			2,601			2,576
Other			667			676
	Total deferred credits and other liabilities		10,978			10,923
Commitments and Contingencies						
Member's Equity						
Member's Equity			10,525			10,365
Accumulated other comprehensive loss			(14)			(15)
	Total member's equity		10,511			10,350
Total Liabilities and Member's Equity			\$ 31,319			\$ 31,273

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CAROLINAS, LLC					
Condensed Consolidated Statements Of Cash Flows					
(Unaudited)					
			Three Months Ended March 31,		
(in millions)			2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income			\$ 286		\$ 244
Adjustments to reconcile net income to net cash provided by operating activities:					
	Depreciation and amortization (including amortization of nuclear fuel)		309		281
	Equity component of AFUDC		(22)		(26)
	Gains on sales of other assets and other, net				(2)
	Deferred income taxes		87		146
	Accrued pension and other post-retirement benefit costs		6		10
	(Increase) decrease in				
		Net realized and unrealized mark-to-market and hedging transactions	3		(7)
		Receivables	11		(8)
		Receivables from affiliated companies	(27)		(54)
		Inventory	181		50
		Other current assets	(59)		(25)
	Increase (decrease) in				
		Accounts payable	(100)		(16)
		Accounts payable to affiliated companies	21		(16)
		Taxes accrued	(3)		(48)
		Other current liabilities	(26)		(34)
	Other assets		14		(28)
	Other liabilities		(9)		(15)
	Net cash provided by operating activities		672		452
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures			(426)		(435)
Purchases of available-for-sale securities			(584)		(504)
Proceeds from sales and maturities of available-for-sale securities			579		492
Notes receivable from affiliated companies			(115)		(15)
Other			(6)		(3)
	Net cash used in investing activities		(552)		(465)
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to parent			(126)		

Other					(1)
Net cash used in financing activities		(126)			(1)
Net decrease in cash and cash equivalents		(6)			(14)
Cash and cash equivalents at beginning of period		23			19
Cash and cash equivalents at end of period		\$ 17		\$	5
Supplemental Disclosures:					
Significant non-cash transactions:					
	Accrued capital expenditures	\$	133	\$	132

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CAROLINAS, LLC												
Condensed Consolidated Statements Of Changes in Member's Equity												
(Unaudited)												
					Accumulated Other Comprehensive Loss							
		Member's		Net Losses		Unrealized						Total
(in millions)		Equity		on Cash		Losses on						
				Flow		Available						
				Hedges		for Sale						
						Securities						
Balance at December 31, 2012		\$ 9,888		\$ (15)		\$ (1)						\$ 9,872
Net income		244										244
Balance at March 31, 2013		\$ 10,132		\$ (15)		\$ (1)						\$ 10,116
Balance at December 31, 2013		\$ 10,365		\$ (14)		\$ (1)						\$ 10,350
Net income		286										286
Other comprehensive income				1								1
Distributions to parent		(126)										(126)
Balance at March 31, 2014		\$ 10,525		\$ (13)		\$ (1)						\$ 10,511

See Notes to Condensed Consolidated Financial Statements

PART I

PROGRESS ENERGY, INC.					
Condensed Consolidated Statements Of Operations And Comprehensive Income					
(Unaudited)					
		Three Months Ended March 31,			
(in millions)		2014		2013	
Operating Revenues		\$	2,541	\$	2,186
Operating Expenses					
Fuel used in electric generation and purchased power			1,043		860
Operation, maintenance and other			595		561
Depreciation and amortization			276		194
Property and other taxes			151		141
Total operating expenses			2,065		1,756
Gains on Sales of Other Assets and Other, net			1		
Operating Income			477		430
Other Income and Expenses, net			15		23
Interest Expense			169		198
Income From Continuing Operations Before Taxes			323		255
Income Tax Expense From Continuing Operations			119		101
Income From Continuing Operations			204		154
Loss From Discontinued Operations, net of tax			(1)		
Net Income			203		154
Less: Net Income Attributable to Noncontrolling Interest			1		1
Net Income Attributable to Parent		\$	202	\$	153
Net Income		\$	203	\$	154
Other Comprehensive Income, net of tax					
Reclassification into earnings from pension and OPEB adjustments			1		1
Net unrealized gain on cash flow hedges			1		1
Other Comprehensive Income, net of tax			2		2
Comprehensive Income		\$	205	\$	156

See Notes to Condensed Consolidated Financial Statements

PART I

PROGRESS ENERGY, INC.					
Condensed Consolidated Balance Sheets					
(Unaudited)					
(in millions)		March 31, 2014		December 31, 2013	
ASSETS					
Current Assets					
Cash and cash equivalents		\$	36	\$	58
Receivables (net of allowance for doubtful accounts of \$6 at March 31, 2014 and \$14 at December 31, 2013)			51		528
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$8 at March 31, 2014)			856		417
Receivables from affiliated companies			4		4
Notes receivable from affiliated companies			176		75
Inventory			1,391		1,424
Regulatory assets			530		353
Other			565		726
	Total current assets		3,609		3,585
Investments and Other Assets					
Nuclear decommissioning trust funds			2,330		2,292
Goodwill			3,655		3,655
Other			767		804
	Total investments and other assets		6,752		6,751
Property, Plant and Equipment					
Cost			36,460		36,480
Accumulated depreciation and amortization			(13,093)		(13,098)
	Net property, plant and equipment		23,367		23,382
Regulatory Assets and Deferred Debits					
Regulatory assets			4,157		4,155
Other			99		96
	Total regulatory assets and deferred debits		4,256		4,251
Total Assets		\$	37,984	\$	37,969
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable		\$	655	\$	836
Accounts payable to affiliated companies			237		123
Notes payable to affiliated companies			922		1,213
Taxes accrued			102		105
Interest accrued			195		181

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Current maturities of long-term debt		18		485
Regulatory liabilities		172		207
Other		747		896
Total current liabilities		3,048		4,046
Long-term Debt		14,503		13,630
Deferred Credits and Other Liabilities				
Deferred income taxes		3,766		3,283
Accrued pension and other post-retirement benefit costs		633		765
Asset retirement obligations		2,587		2,562
Regulatory liabilities		2,402		2,292
Other		518		527
Total deferred credits and other liabilities		9,906		9,429
Commitments and Contingencies				
Common Stockholder's Equity				
Common stock, \$0.01 par value, 100 shares authorized and outstanding at March 31, 2014 and December 31, 2013				
Additional paid-in capital		7,467		7,467
Retained earnings		3,112		3,452
Accumulated other comprehensive loss		(54)		(59)
Total common stockholder's equity		10,525		10,860
Noncontrolling interests		2		4
Total equity		10,527		10,864
Total Liabilities and Equity		\$ 37,984		\$ 37,969

See Notes to Condensed Consolidated Financial Statements

PART I

PROGRESS ENERGY, INC.					
Condensed Consolidated Statements Of Cash Flows					
(Unaudited)					
			Three Months Ended March 31,		
(in millions)			2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income			\$ 203		\$ 154
Adjustments to reconcile net income to net cash provided by operating activities:					
	Depreciation, amortization and accretion (including amortization of nuclear fuel)		316		235
	Equity component of AFUDC		(1)		(13)
	Gains on sales of other assets and other, net		(1)		
	Deferred income taxes		183		118
	Accrued pension and other post-retirement benefit costs		7		53
	(Increase) decrease in				
		Net realized and unrealized mark-to-market and hedging transactions	13		12
		Receivables	(45)		(25)
		Receivables from affiliated companies			(3)
		Inventory	72		36
		Other current assets	(134)		(115)
	Increase (decrease) in				
		Accounts payable	(53)		(191)
		Accounts payable to affiliated companies	114		34
		Taxes accrued	3		72
		Other current liabilities	(116)		(95)
	Other assets		(52)		(76)
	Other liabilities		(6)		69
	Net cash provided by operating activities		503		265
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures			(475)		(622)
Purchases of available-for-sale securities			(266)		(401)
Proceeds from sales and maturities of available-for-sale securities			269		391
Notes receivable from affiliated companies			(101)		(20)
Other			(25)		9
	Net cash used in investing activities		(598)		(643)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from the:					

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	Issuance of long-term debt		875			496
Payments for the:						
	Redemption of long-term debt		(469)			(736)
	Redemption of preferred stock of subsidiary					(96)
Notes payable to affiliated companies						
			(291)			525
Distributions to noncontrolling interests						
			(3)			(3)
Other						
			(39)			(4)
	Net cash provided by financing activities		73			182
Net decrease in cash and cash equivalents						
			(22)			(196)
Cash and cash equivalents at beginning of period						
			58			231
Cash and cash equivalents at end of period						
			\$ 36			\$ 35
Supplemental Disclosures:						
Significant non-cash transactions:						
	Accrued capital expenditures		\$ 158			\$ 248

See Notes to Condensed Consolidated Financial Statements

PART I

PROGRESS ENERGY, INC.										
Condensed Consolidated Statements of Changes in Common Stockholder's Equity										
(Unaudited)										
						Accumulated Other Comprehensive Loss				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Losses on Cash Flow Hedges	Pension and OPEB Related Adjustments	Common Stockholder's Equity	Noncontrolling Interests	Total Equity		
Balance at December 31, 2012	\$	\$ 7,465	\$ 2,783	\$ (42)	\$ (25)	\$ 10,181	\$ 4	\$ 10,185		
Net income			153			153	1	154		
Other comprehensive income				1	1	2		2		
Premium on the redemption of preferred stock of subsidiaries			(3)			(3)		(3)		
Distributions to noncontrolling interests							(3)	(3)		
Balance at March 31, 2013	\$	\$ 7,465	\$ 2,933	\$ (41)	\$ (24)	\$ 10,333	\$ 2	\$ 10,335		
Balance at December 31, 2013	\$	\$ 7,467	\$ 3,452	\$ (43)	\$ (16)	\$ 10,860	\$ 4	\$ 10,864		
Net income			202			202	1	203		
Other comprehensive income				1	1	2		2		
Distributions to noncontrolling interests							(3)	(3)		

PART I

DUKE ENERGY PROGRESS, INC.					
Condensed Consolidated Statements Of Operations And Comprehensive Income					
(Unaudited)					
		Three Months Ended March 31,			
(in millions)		2014		2013	
Operating Revenues		\$	1,422	\$	1,216
Operating Expenses					
Fuel used in electric generation and purchased power			573		455
Operation, maintenance and other			381		352
Depreciation and amortization			144		137
Property and other taxes			67		60
Total operating expenses			1,165		1,004
Gains on Sales of Other Assets and Other, net			1		
Operating Income			258		212
Other Income and Expenses, net			9		14
Interest Expense			57		48
Income Before Income Taxes			210		178
Income Tax Expense			77		68
Net Income and Comprehensive Income		\$	133	\$	110

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY PROGRESS, INC.				
Condensed Consolidated Balance Sheets				
(Unaudited)				
		March 31, 2014		December 31, 2013
(in millions)				
ASSETS				
Current Assets				
Cash and cash equivalents		\$	9	\$ 21
Receivables (net of allowance for doubtful accounts of \$5 at March 31, 2014 and \$10 at December 31, 2013)			14	145
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$5 at March 31, 2014)			538	417
Receivables from affiliated companies			7	2
Notes receivable from affiliated companies			65	
Inventory			823	853
Regulatory assets			315	127
Other			300	296
	Total current assets		2,071	1,861
Investments and Other Assets				
Nuclear decommissioning trust funds			1,569	1,539
Other			459	443
	Total investments and other assets		2,028	1,982
Property, Plant and Equipment				
Cost			22,477	22,273
Accumulated depreciation and amortization			(8,749)	(8,623)
	Net property, plant and equipment		13,728	13,650
Regulatory Assets and Deferred Debits				
Regulatory assets			1,446	1,384
Other			35	32
	Total regulatory assets and deferred debits		1,481	1,416
Total Assets		\$	19,308	\$ 18,909
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$	344	\$ 420
Accounts payable to affiliated companies			242	103
Notes payable to affiliated companies				462
Taxes accrued			37	37
Interest accrued			77	70
Current maturities of long-term debt			6	174
Regulatory liabilities			68	63
Other			329	392

	Total current liabilities		1,103			1,721
Long-term Debt			5,711			5,061
Deferred Credits and Other Liabilities						
	Deferred income taxes		2,658			2,557
	Accrued pension and other post-retirement benefit costs		316			321
	Asset retirement obligations		1,758			1,729
	Regulatory liabilities		1,792			1,673
	Other		212			222
	Total deferred credits and other liabilities		6,736			6,502
Commitments and Contingencies						
Common Stockholder's Equity						
	Common stock, no par value, 200 million shares authorized; 160 million shares outstanding at March 31, 2014 and December 31, 2013		2,159			2,159
	Retained earnings		3,599			3,466
	Total common stockholder's equity		5,758			5,625
Total Liabilities and Common Stockholder's Equity			\$ 19,308			\$ 18,909

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY PROGRESS, INC.					
Condensed Consolidated Statements Of Cash Flows					
(Unaudited)					
			Three Months Ended March 31,		
(in millions)			2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income			\$ 133		\$ 110
Adjustments to reconcile net income to net cash provided by operating activities:					
	Depreciation, amortization and accretion (including amortization of nuclear fuel)		183		175
	Equity component of AFUDC		(2)		(11)
	Gains on sales of other assets and other, net		(1)		
	Deferred income taxes		117		86
	Accrued pension and other post-retirement benefit costs		(2)		24
	(Increase) decrease in				
		Net realized and unrealized mark-to-market and hedging transactions	6		(17)
		Receivables	10		(8)
		Receivables from affiliated companies	(5)		(13)
		Inventory	53		20
		Other current assets	(183)		(25)
	Increase (decrease) in				
		Accounts payable	(37)		(87)
		Accounts payable to affiliated companies	139		81
		Taxes accrued			32
		Other current liabilities	(41)		(55)
	Other assets		(13)		(33)
	Other liabilities		(1)		14
	Net cash provided by operating activities		356		293
CASH FLOWS FROM INVESTING ACTIVITIES					
	Capital expenditures		(299)		(395)
	Purchases of available-for-sale securities		(151)		(196)
	Proceeds from sales and maturities of available-for-sale securities		149		188
	Notes receivable from affiliated companies		(65)		
	Other		(18)		
	Net cash used in investing activities		(384)		(403)
CASH FLOWS FROM FINANCING ACTIVITIES					
	Proceeds from the issuance of long-term debt		650		496

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Payments for the:					
	Redemption of long-term debt		(168)		(1)
	Redemption of preferred stock of subsidiary				(62)
Notes payable to affiliated companies			(462)		(326)
Other			(4)		(4)
	Net cash provided by financing activities		16		103
Net decrease in cash and cash equivalents			(12)		(7)
Cash and cash equivalents at beginning of period			21		18
Cash and cash equivalents at end of period		\$	9	\$	11
Supplemental Disclosures:					
Significant non-cash transactions:					
	Accrued capital expenditures	\$	116	\$	149

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY PROGRESS, INC.									
Condensed Consolidated Statements Of Changes in Common Stockholder's Equity									
(Unaudited)									
			Common			Retained			Total
(in millions)			Stock			Earnings			Equity
Balance at December 31, 2012			\$ 2,159			\$ 2,968			\$ 5,127
Net income						110			110
Premium on the redemption of preferred stock						(2)			(2)
Balance at March 31, 2013			\$ 2,159			\$ 3,076			\$ 5,235
Balance at December 31, 2013			\$ 2,159			\$ 3,466			\$ 5,625
Net income						133			133
Balance at March 31, 2014			\$ 2,159			\$ 3,599			\$ 5,758

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY FLORIDA, INC.						
Condensed Consolidated Statements Of Operations And Comprehensive Income						
(Unaudited)						
		Three Months Ended March 31,				
(in millions)		2014		2013		
Operating Revenues		\$	1,116		\$	968
Operating Expenses						
Fuel used in electric generation and purchased power			470			405
Operation, maintenance and other			211			211
Depreciation and amortization			132			52
Property and other taxes			84			79
Total operating expenses			897			747
Operating Income			219			221
Other Income and Expenses, net			5			8
Interest Expense			49			49
Income Before Income Taxes			175			180
Income Tax Expense			67			70
Net Income		\$	108		\$	110
Other Comprehensive Income, net of tax						
Net unrealized gain on cash flow hedges			1			
Comprehensive Income		\$	109		\$	110

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY FLORIDA, INC.				
Condensed Consolidated Balance Sheets				
(Unaudited)				
(in millions)		March 31, 2014		December 31, 2013
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 10		\$ 16
Receivables (net of allowance for doubtful accounts of \$1 at March 31, 2014 and \$4 at December 31, 2013)		35		375
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$3 at March 31, 2014)		318		
Receivables from affiliated companies		10		3
Notes receivable from affiliated companies		110		
Inventory		568		571
Regulatory assets		214		221
Other		64		182
	Total current assets	1,329		1,368
Investments and Other Assets				
Nuclear decommissioning trust funds		761		753
Other		252		252
	Total investments and other assets	1,013		1,005
Property, Plant and Equipment				
Cost		13,973		13,863
Accumulated depreciation and amortization		(4,337)		(4,252)
	Net property, plant and equipment	9,636		9,611
Regulatory Assets and Deferred Debits				
Regulatory assets		2,711		2,729
Other		44		44
	Total regulatory assets and deferred debits	2,755		2,773
	Total Assets	\$ 14,733		\$ 14,757
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$ 311		\$ 333
Accounts payable to affiliated companies		66		38
Notes payable to affiliated companies				181
Taxes accrued		75		66
Interest accrued		66		46
Current maturities of long-term debt		11		11
Regulatory liabilities		104		144
Other		406		445

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	Total current liabilities		1,039			1,264
Long-term Debt			5,099			4,875
Deferred Credits and Other Liabilities						
	Deferred income taxes		1,816			1,829
	Accrued pension and other post-retirement benefit costs		284			286
	Asset retirement obligations		829			833
	Regulatory liabilities		609			618
	Other		275			255
	Total deferred credits and other liabilities		3,813			3,821
Commitments and Contingencies						
Common Stockholder's Equity						
	Common Stock, no par; 60 million shares authorized; 100 shares outstanding at March 31, 2014 and December 31, 2013		1,762			1,762
	Retained earnings		3,020			3,036
	Accumulated other comprehensive loss					(1)
	Total common stockholder's equity		4,782			4,797
Total Liabilities and Common Stockholder's Equity			\$ 14,733			\$ 14,757

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY FLORIDA, INC.				
Condensed Consolidated Statements Of Cash Flows				
(Unaudited)				
			Three Months Ended March 31,	
(in millions)			2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income			\$ 108	\$ 110
Adjustments to reconcile net income to net cash provided by operating activities:				
	Depreciation, amortization and accretion		133	54
	Equity component of AFUDC			(2)
	Deferred income taxes		60	70
	Accrued pension and other post-retirement benefit costs		7	22
	(Increase) decrease in			
		Net realized and unrealized mark-to-market and hedging transactions	5	28
		Receivables	21	5
		Receivables from affiliated companies	(7)	(44)
		Inventory	20	15
		Other current assets	68	(129)
	Increase (decrease) in			
		Accounts payable	24	(50)
		Accounts payable to affiliated companies	28	21
		Taxes accrued	10	76
		Other current liabilities	(63)	(13)
	Other assets		(36)	(42)
	Other liabilities		(13)	(5)
	Net cash provided by operating activities		365	116
CASH FLOWS FROM INVESTING ACTIVITIES				
	Capital expenditures		(176)	(223)
	Purchases of available-for-sale securities		(115)	(205)
	Proceeds from sales and maturities of available-for-sale securities		120	203
	Notes receivable from affiliated companies		(110)	207
	Other		(8)	
	Net cash used in investing activities		(289)	(18)
CASH FLOWS FROM FINANCING ACTIVITIES				
	Proceeds from the issuance of long-term debt		225	
	Payments for the:			
	Redemption of long-term debt		(1)	(426)

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	Redemption of preferred stock				(34)
	Notes payable to affiliated companies		(181)		238
	Dividend to parent		(124)		
	Other		(1)		
	Net cash used in financing activities		(82)		(222)
	Net (decrease) increase in cash and cash equivalents		(6)		(124)
	Cash and cash equivalents at beginning of period		16		131
	Cash and cash equivalents at end of period		\$ 10		\$ 7
	Supplemental Disclosures:				
	Significant non-cash transactions:				
	Accrued capital expenditures		\$ 42		\$ 95

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY FLORIDA, INC.												
Condensed Consolidated Statements Of Changes in Common Stockholder's Equity												
(Unaudited)												
									Accumulated Other Comprehensive Income			
(in millions)		Common Stock		Retained Earnings				Net Gain on Cash Flow Hedges				Total
Balance at December 31, 2012		\$ 1,762		\$ 3,037				\$				\$ 4,799
Net income				110								110
Premium on the redemption of preferred stock				(1)								(1)
Balance at March 31, 2013		\$ 1,762		\$ 3,146				\$				\$ 4,908
Balance at December 31, 2013		\$ 1,762		\$ 3,036				\$ (1)				\$ 4,797
Net income				108								108
Other comprehensive income								1				1
Dividend to parent				(124)								(124)
Balance at March 31, 2014		\$ 1,762		\$ 3,020				\$				\$ 4,782

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY OHIO, INC.					
Condensed Consolidated Statements Of Operations And Comprehensive Income					
(Unaudited)					
		Three Months Ended March 31,			
(in millions)		2014		2013	
Operating Revenues					
Regulated electric		\$	367	\$	333
Nonregulated electric and other			173		228
Regulated natural gas			223		186
	Total operating revenues		763		747
Operating Expenses					
Fuel used in electric generation and purchased power - regulated			124		103
Fuel used in electric generation and purchased power - nonregulated			131		240
Cost of natural gas			102		76
Operation, maintenance and other			181		185
Depreciation and amortization			91		88
Property and other taxes			75		72
Impairment charges			1,417		
	Total operating expenses		2,121		764
Operating Loss			(1,358)		(17)
Other Income and Expenses, net			3		2
Interest Expense			22		18
Loss Before Income Taxes			(1,377)		(33)
Income Tax Benefit			(487)		(12)
Net Loss			(890)		(21)
Other Comprehensive Income, net of tax					
Pension and OPEB adjustments					1
Comprehensive Loss		\$	(890)	\$	(20)

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY OHIO, INC.				
Condensed Consolidated Balance Sheets				
(Unaudited)				
(in millions)	March 31, 2014		December 31, 2013	
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 38		\$ 36
Receivables (net of allowance for doubtful accounts of \$2 at March 31, 2014 and December 31, 2013)		53		121
Receivables from affiliated companies		127		121
Notes receivable from affiliated companies		167		57
Inventory		89		229
Assets held for sale		442		-
Regulatory assets		45		57
Other		128		270
	Total current assets	1,089		891
Investments and Other Assets				
Goodwill		920		920
Assets held for sale		2,167		-
Other		34		232
	Total investments and other assets	3,121		1,152
Property, Plant and Equipment				
Cost		7,029		11,143
Accumulated depreciation and amortization		(2,196)		(2,908)
	Net property, plant and equipment	4,833		8,235
Regulatory Assets and Deferred Debits				
Regulatory assets		483		471
Other		9		14
	Total regulatory assets and deferred debits	492		485
	Total Assets	\$ 9,535		\$ 10,763
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$ 197		\$ 319
Accounts payable to affiliated companies		64		77
Notes payable to affiliated companies		306		43
Taxes accrued		133		167
Interest accrued		30		17
Liabilities associated with assets held for sale		189		-

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Current maturities of long-term debt		599			47
Regulatory liabilities		12			27
Other		72			110
	Total current liabilities	1,602			807
Long-term Debt		1,588			2,141
Deferred Credits and Other Liabilities					
Deferred income taxes		1,542			2,012
Accrued pension and other post-retirement benefit costs		32			58
Liabilities associated with assets held for sale		55			-
Asset retirement obligations		23			28
Regulatory liabilities		264			262
Other		150			186
	Total deferred credits and other liabilities	2,066			2,546
Commitments and Contingencies					
Common Stockholder's Equity					
Common stock, \$8.50 par value, 120,000,000 shares authorized; 89,663,086 shares outstanding at March 31, 2014 and December 31, 2013		762			762
Additional paid-in capital		4,782			4,882
Accumulated deficit		(1,265)			(375)
	Total common stockholder's equity	4,279			5,269
Total Liabilities and Common Stockholder's Equity					
		\$ 9,535		\$	10,763

See Notes to Condensed Consolidated Financial Statements

PART I

DUKE ENERGY OHIO, INC.					
Condensed Consolidated Statements Of Cash Flows					
(Unaudited)					
			Three Months Ended March 31,		
(in millions)			2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss			\$ (890)		\$ (21)
Adjustments to reconcile net loss to net cash provided by operating activities:					
	Depreciation and amortization		92		89
	Equity component of AFUDC		(1)		
	Impairment charges		1,417		
	Deferred income taxes		(501)		(12)
	Accrued pension and other post-retirement benefit costs		1		5
	(Increase) decrease in				
		Net realized and unrealized mark-to-market and hedging transactions	39		38
		Receivables	(16)		(17)
		Receivables from affiliated companies	(6)		(41)
		Inventory	29		11
		Other current assets	(92)		8
	Increase (decrease) in				
		Accounts payable	21		(5)
		Accounts payable to affiliated companies	(13)		3
		Taxes accrued	(38)		(37)
		Other current liabilities	(7)		13
	Other assets		(9)		(10)
	Other liabilities		7		(10)
	Net cash provided by operating activities		33		14
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures			(83)		(105)
Notes receivable from affiliated companies			(110)		(3)
Net cash used in investing activities			(193)		(108)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments for the redemption of long-term debt			(1)		(2)
Notes payable to affiliated companies			263		92
Dividends to parent			(100)		
Net cash provided by financing activities			162		90

Net increase (decrease) in cash and cash equivalents			2			(4)
Cash and cash equivalents at beginning of period			36			31
Cash and cash equivalents at end of period		\$	38		\$	27
Supplemental Disclosures:						
Significant non-cash transactions:						
	Accrued capital expenditures	\$	24		\$	19

See Notes to Condensed Consolidated Financial Statements

